SIGNED VERSION

Dealers' Confirmation to Issuer

BG pic

Euro 2,500,00,000

Euro Medium Term Note Programme (the "Programme")

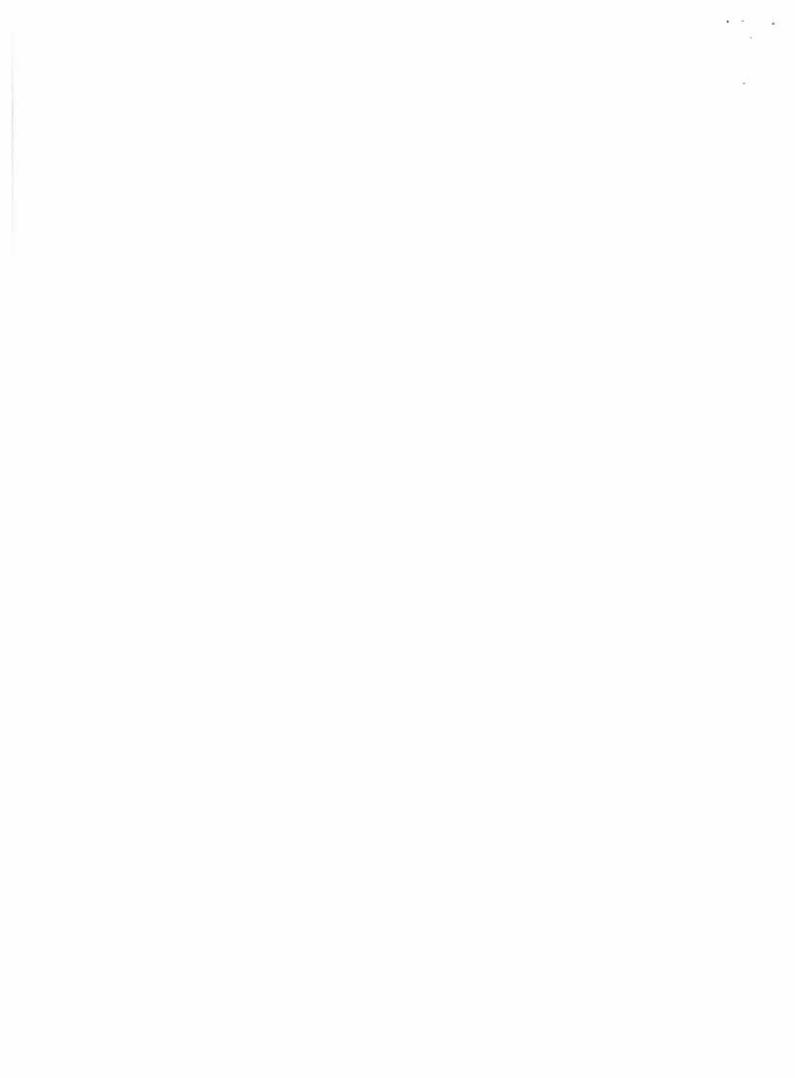
| To: Attention: Fax: | BG plc Andrew Kluth 0118 9293849 | |
|---------------------------|---|--------------------------------|
| cc: Attention: | The First National Bank of Chicago Corporate Trust Securities | 29 ⁿ September 1998 |
| cc: Attention: | The Law Debenture Trust Corporation p.I.c. The Manager, Trust Administration | |

We confirm our agreement for the issue of the Instruments described below forming part of the above Programme in accordance with the terms of the Dealer Agreement relating to the Programme as supplemented by the terms set out below:

Provisions appearing on the face of the Instruments

| 1. | Issuer: | BG plc | |
|---|--|---|--|
| 2. | Series No: | BG plc 0008 | |
| 3. | Tranche No: | 1 | |
| 4. | ISIN: | XS0091221258 | |
| 5. | Currency: | British Pounds ("GBP") | |
| 6. | Principal Amount of Tranche: | GBP 50,000,000 | |
| 7. | Issue Date: | 2 nd October 1998 | |
| Provisions appearing on the back of the Instruments | | | |
| 8. | Denomination(s): | GBP 1,000 | |
| 9. | Interest Commencement Date: | 2 nd October 1998 | |
| 10. | Interest Rate (including after Maturity Date): | 6.20 per cent. per annum | |
| 11. | Interest Payment Date(s): | Every 2 nd April and 2 nd October from and including 2 nd April 1999 to and including the Maturity Date. | |
| 12 | Relevant Time: | N/A | |
| 13 | Interest Determination Date: | N/A | |

| N/A |
|--|
| N/A |
| GBP 31.00 per GBP 1,000 denomination shall be payable upon every Interest Payment Date |
| 30E/360 |
| N/A |
| Principal Amount |
| 2 rd October 2028 |
| Yes |
| N/A |
| Yes |
| |



- 42. Talons to be attached to instruments and, if applicable, the number of Interest Payment Dates between the maturity of each Talon:
- 43. Business Day Jurisdictions for Condition L 5(f) (jurisdictions required to be open for payment):
- 44. (Additional steps that may only be taken N following approval by an Extraordinary Resolution in accordance with Condition 9(a):
- 45. Details of any other additions or variations to the Conditions:
- 46. The Agents appointed in respect of the Instruments are:

Yes

London

N/A

N/A

The Paying Agent will be The First National Bank of Chicago.

27 Leadenhall Street London EC3A 1AA

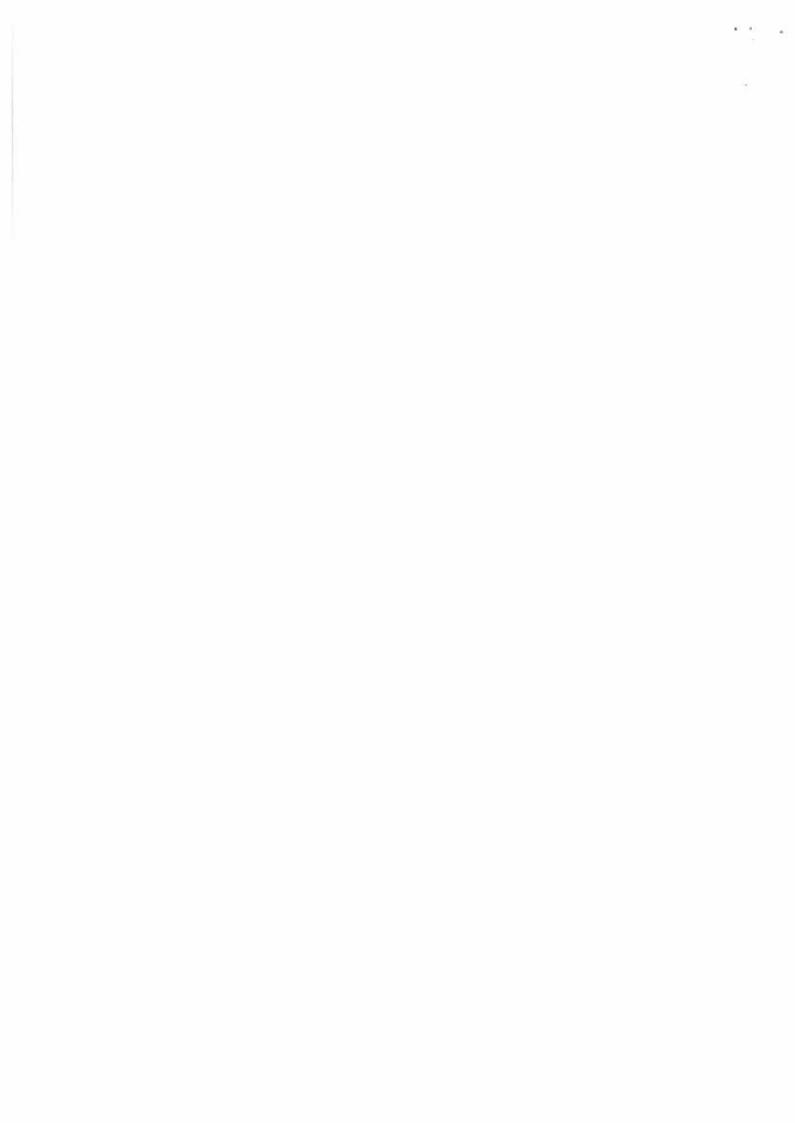
UBS AG Bahnhoístrasse 45 CH – 8098 Zurich

Provisions applicable to Global Instruments

- 47. Instruments to be represented on issue Temporary Global Instrument by: **D** Rules 48. Applicable TEFRA exemption: No. The Temporary Global Instrument will 49. Temporary Global Instrument be exchangeable for a Permanent Global exchangeable for Definitive Instrument not earlier than 40 days after the Instruments: Issue Date upon receipt of proper certification as to non-US beneficial ownership. Not exchangeable at the request of the 50. Permanent Global Instrument exchangeable for Definitive Instruments holders
- exchangeable for Definitive Instruments h at the request of the holder at the expense of:

Provisions relating only to the sale and listing of the Instruments

| 51. Details of any additions or variations to the selling restrictions: | N/A |
|---|----------------|
| 52. Listing: | London |
| 53. Issue Price: | 99.46 per cent |
| 54. Dealer's Commission: | N/A |
| 55. Net Price payable to Issuer: | GBP 49,730,000 |
| 56. Whether Dealer acting as principal or agent: | Principal |



57. Specify any extra conditions precedent to issue of the Instruments for the purpose of the Dealer Agreement: None

58. Dealer's Euroclear/Cedel Bank Account Number into which Instruments are to be credited: Goldman Sachs International Euroclear account no: 94589

Goldman Sachs International

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